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ILLINOIS COMMERCE
COMMISSION

2014 DEC -3 A 11:45

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EimerStahl^{LLP}

December 2, 2014

VIA HAND DELIVERY

Ms. Elizabeth Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

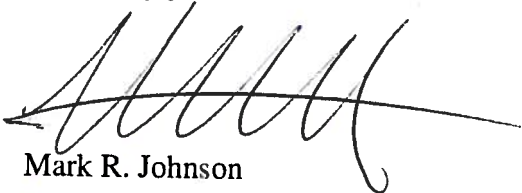
Re: 14-NOI-01 ComEd's Reply Comments

Dear Ms. Rolando:

Pursuant to the Illinois Commerce Commission's Notice of Inquiry ("NOI") dated September 30, 2014, Commonwealth Edison Company submits the enclosed Reply Comments and Exhibit A in accordance with the schedule set forth in the NOI.

Please do not hesitate to contact me if you have any questions.

Very truly yours,



Mark R. Johnson

Enclosures

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission	:	
On Its Own Motion	:	
	:	14-NOI-01
Notice of Inquiry regarding retail	:	
electric market issues	:	

REPLY COMMENTS OF COMMONWEALTH EDISON COMPANY

Commonwealth Edison Company (“ComEd”) submits these Reply Comments in response to the November 6, 2014 Initial Comments submitted by the Citizens Utility Board (“CUB”), the Illinois Competitive Energy Association (“ICEA”), the Retail Energy Supply Association (“RESA”), and the Coalition of Energy Suppliers and National Energy Marketers Association (“CES-NEMA”) to the Illinois Commerce Commission’s (“ICC”) Notice of Inquiry (“NOI”). As explained further in Section III *infra*, the Initial Comments indicate that parties have interpreted the question regarding rescission in various ways. To clear up this confusion and allow the parties to meaningfully respond to each other, ComEd requests that the Office of Retail Market Development (“ORMD”) clarify the question well in advance of the Surreply Comments due on December 19, 2014.¹

I. Price to Compare

“1. Should the Commission specify how a supplier has to portray the utility Price-to-Compare?”

Ignoring Illinois’ robust competitive market in which *dozens* of retail electric suppliers (“RESS”) participate, CUB suggests “that RESs should be required to portray the utility Price-to-Compare as it is currently presented on Plug-in-Illinois, inclusive of supply charges with the

¹ ComEd reserves its right to further comment in Surreply Comments.

exception of the PEA. The Price-to-Compare should be added to RES marketing materials and sales contracts.” CUB Initial Comments at 6-7. Requiring RESs to present *only* the utility’s Price-to-Compare, however, would misrepresent the market by suggesting customers need only pay attention to the utility’s rate while ignoring the rates of dozens of other suppliers. Depending upon the rate under which a customer takes service, CUB’s suggestion may also result in an inaccurate comparison. For example, if the customer is taking service under a RES’s time-of-use rate, then CUB’s proposed comparison to the utility’s fixed rate would mislead customers by purporting to compare products that are not in fact the same. Similarly, a comparison of a multi-year supply price offering from a RES to the prevailing utility fixed rate, which is at most valid for a year, would be similarly misleading. ComEd accordingly opposes CUB’s proposal because it does not properly account for the various factors that may distinguish a RES supply service offering from the utility default offering and, therefore, would mislead customers.

ComEd also objects to CUB’s proposal that “[t]he Price-to-Compare should be highlighted and placed on all utility bills” regardless of the supplier. CUB Initial Comments at 6. In addition to the problems identified above, CUB’s proposal also ignores that ComEd recently redesigned its residential bills, which already clearly lay out the supply portion on every bill it produces, regardless of the supplier, and notify all customers to review the PlugInIllinois.org website for choosing a supplier. In addition, the Price-to-Compare – by itself – is merely a single seasonal value; it therefore should not form the sole basis for a customer to choose a RES, and also ignores the other benefits of choice and the education available on the PlugInIllinois.org site. Moreover, the conspicuous presentment of the utility default supply rate on utility bills including RES supply charges will create the false impression that the utility is attempting to

compete for the customers' business, effectively undoing the efforts made by ComEd to address concerns and reassure customers of ComEd's support for retail competition and choice. Indeed, ComEd employees have spent thousands of hours in the past few years addressing such concerns and providing reassurances, from its communications with the media to its participation in public hearings, regarding government aggregation referendums.

II. Consumer Education

"1. Do you recommend changes and/or supplements to the Commission's retail electric education website, PlugInIllinois.org?"

ICEA's Initial Comments propose non-responsive and, in any event, unnecessary changes that lack support. As an initial matter, ComEd observes that the question presented concerns changes to *the PlugInIllinois.org website* – not changes to utility bills or other utility mailings. ICEA offers no recommendations in response to the question.

Rather, ICEA claims that various changes should be made to utility bills because "many consumers may still view the utilities as 'the electric company' and may fear receiving inferior or discriminatory service if they leave their utility for their electric supply and switch to a RES." ICEA Initial Comments at 22. It is difficult to appreciate ICEA's concerns regarding alleged customer fears given that nearly 65% of residential customers are receiving supply service from a RES and as many as 70% have taken service from a RES. Indeed, the fact that customers generally do not express fears regarding switching is, again, a product of utility efforts over the past several years to assure customers that their delivery service will not change or degrade if they switch to a

RES. ComEd, for example, includes statements assuring customers of these facts in its switching letters², customer handbook, welcome kit, and website, www.ComEd.com.³

Finally, the messages proposed by ICEA are vague, overbroad and inappropriate. For example, ICEA proposes that utility bills should inform “customers who choose a RES for their electric supply” through periodic on-bill messaging that they “will continue to receive the same level of service and support as those who remain with the utility”. ICEA Initial Comments at 22-23. This statement is clearly overbroad, however, and inappropriately suggests that the utility is vouching for the supply service to be provided by the RES. To the extent the statement is intended to be limited to the utility’s delivery services, ComEd already assures customers through the switching letter (and other methods noted earlier) that their delivery service will not change. This problematic language is unnecessary, and, if the RES chooses to make such claims through their own bills, literature, or the messaging opportunities provided through Rider PORCB – Purchase of Receivables with Consolidated Billing (“PORCB”), they are welcomed to do so.

ICEA also proposes that “ComEd and Ameren mailings include the smart meter page on PlugInIllinois.org.” ICEA Initial Comments at 23. Smart meter customer education efforts are governed by a separate statute and ICC order, however. To the extent that ICEA is suggesting that smart meter materials should include references to the smart meter page on the PlugInIllinois.org website and retail competition, it should be noted that ComEd has already worked with RESs through the ORMD-sponsored

² A sample switching letter is attached for convenience as Exhibit A.

³ See <https://www.comed.com/customer-service/rates-pricing/customer-choice/Pages/customer-choice-faqs.aspx>; <https://www.comed.com/customer-service/rates-pricing/customer-choice/Pages/about.aspx>.

Enabling the Market Workshop process to provide mention of this link on its door hangers that are provided to each customer as their smart meter is installed. ComEd is open to continuing to work with RESs through the workshop process to include additional references to the website in the appropriate materials; however, the issue heretofore has been the lack of a meaningful number of AMI-enabled, RES time-of-use supply price and demand response offerings on such website, of which currently there are only two RESs with such offers. The lack of a critical mass of offerings is a cause for concern, as making reference to a website with too few offerings creates an appearance of ComEd endorsement of such RESs' posting such offerings.

"2. Do you propose additional ways to increase traffic to PlugInIllinois.org?"

As an initial matter, ComEd does not object to CUB's proposal to "[i]nclud[e] the website address on utility bills" and on RES "marketing material and contracts." CUB Initial Comments at 7. As a result of the 2011 NOI process, indeed, each of ComEd's bills already includes the website address.

ICEA's proposal that "Ameren and ComEd consider adding periodic bill messages to check PlugInIllinois.org for the latest information about the bundled and competitive rates" (ICEA's Initial Comments at 22), however, should be rejected. Utilities' inclusion of the website on their bills is sufficient. In addition, RESs may raise issues with ComEd providing such a notice for all customers, as ComEd does not target subgroups of customers with these types of messages.

"5. Should utilities be required to display the supplier logo on a utility-consolidated bill?"

CUB's, RESA's, and CES-NEMA's requests that utilities should be required to display the supplier logo on a utility-consolidated bill should be rejected. *First*, their requests fail to take account of, much less offer solutions for, the practical implementation issues and obstacles – as well as the cost recovery considerations and legal issues – set forth in ComEd's and Ameren's Initial Comments. ComEd Initial Comments at 1-5; Ameren Initial Comments at 4-5. *Second*, to the extent that customers do not know that they have been switched, this lack of knowledge reflects a failure of communications by the RES rather than by the utility. *Third*, the utility-consolidated bill already identifies the RES as the electric supplier, including its phone number, address, billing line items, and optional messages. The addition of a color logo would not meaningfully add to the information provided.

III. Cancellation/Rescission

“2. Should the Commission change the rescission period for customers with a smart meter? If so, what should the new rescission period be?”

Following the November 13, 2014 workshop held by ORMD, ComEd believes that substantial confusion exists regarding this question. For example, some parties interpret the question to address a shortening of the current rescission period of 10 calendar days specified under Part 412 of the Administrative Code (or the operations of a utility to handle a rescission), while others treat the question as an invitation to discuss off-cycle switching for all customers. As noted above, ComEd therefore requests that ORMD clarify this question prior to the submission of Surreply Comments on December 19, 2014.

Notwithstanding this request for clarification, ComEd again observes, as it did in its Initial Comments, that the installation of smart meters does not necessarily warrant any changes in the rescission period. ComEd Initial Comments at 5-6. For example, CES-NEMA asserts that “[s]mart meter technology should allow for more expedited customer switching and the

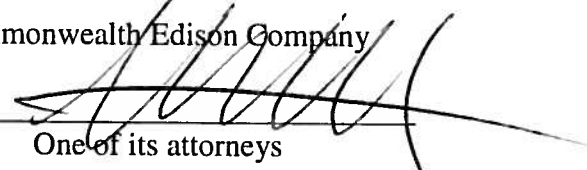
provision of information to customers, RESs, and utilities more quickly than is currently generally the case,” and “[a]ccordingly, [that] it would likely make sense and would be competitively neutral, without impeding fair customer treatment, to consider shortening rescission periods for smart meter customers.” CES-NEMA Initial Comments at 19. Yet, as explained in Ameren’s and ComEd’s Initial Comments, the installation of a smart meter does not alter the length of the billing window, upon which ComEd’s rescission period is based. Ameren Initial Comments at 5-6; ComEd Initial Comments at 5-6. As also explained in ComEd’s Initial Comments, moreover, ComEd believes that this question is premature because its advanced metering infrastructure (“AMI”) and smart meter deployment is currently underway and will not be completed until late 2018 (based on current estimates). ComEd Initial Comments at 5. To the extent that this question encompasses the issue of whether to amend Part 412, ComEd takes no position.

Dated: December 2, 2014

Respectfully submitted,

Commonwealth Edison Company

By:


One of its attorneys

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Attorneys for Commonwealth Edison Company



An Exelon Company

Customer Name
Mailing Address
Mailing City, State, Zip

ComEd Account Number:
Service Address:
City, State, Zip:

Current Electric Supplier:
New Electric Supplier:
New Electric Supplier Telephone #:
Effective Date:

Electric Supplier Choice Confirmation

Dear Customer:

We have received notice that your electric supplier of choice is being changed to [RES Name]. This change will take place within two business days of [Effective Date]. Please contact your new electric supplier, [RES Name] at [1-xxx-xxx-xxxx], with any questions you may have about your supply agreement or your electric supply. You have the right to cancel this enrollment for any reason by [Date] by contacting [RES Name] at [1-xxx-xxx-xxxx] or ComEd.

Your electric supplier may have been changed as part of a governmental aggregation program managed by your municipality, county or township. Please contact your governmental authority or check its website if you have any questions about the program.

Some suppliers may have an early termination fee while others may not. Please check your new supplier agreement for customer terms and conditions. If you are changing suppliers as part of an opt-out aggregation, your opt-out notice also provided information about any termination fee.

You will remain a ComEd *residential* customer for electric *delivery* services. ComEd will still deliver electricity to residential customers in Northern Illinois independent of electric supplier choice. ComEd will continue to maintain the electric system and restore service after storms or power outages. If you have any questions about your delivery services, such as power outages, metering, moving to a new address or service requests, please visit us at **ComEd.com** or at 1-800-EDISON-1 (1-800-334-7661).

ComEd supports electricity competition and customer choice. To learn more about customer choice, please visit **ComEd.com/customerchoice** or **PlugInIllinois.org**.

Respectfully,

Val Jensen
Senior Vice President, Customer Operations